

February 22, 2012

BOND TASK FORCE

PUBLIC OUTREACH

Why is Scottsdale
considering a
Bond Election?

WHY IS SCOTTSDALE CONSIDERING A BOND ELECTION?

- ✖ Bonds fund large city infrastructure and facilities
- ✖ The annual city budget does not currently have the capacity to fund these types of investment
- ✖ Scottsdale has a history of Bond Elections
 - + 1983 5 Questions Approved: \$69 M
 - + 1989 10 Questions Approved (1 failed): \$287 M
 - + 1992 1 Question Approved: \$12.8M
 - + 2000 6 Questions Approved (3 failed): \$358 M
 - + 2010 Failed: 2 questions, \$36.6M projects & \$27 M to refinance

City	Election	Ballot Questions	Amount Proposed	For	Against	Result
Chandler	2007 Bond Election	Parks	\$ 81,350,000	75%	25%	Pass
		Fire	\$ 14,265,000	87%	13%	Pass
		Police	\$ 15,745,000	85%	15%	Pass
		Library	\$ 11,255,000	73%	27%	Pass
		Center for the Arts	\$ 4,200,000	63%	37%	Pass
		Museum	\$ 4,500,000	59%	41%	Pass
		Public Works Building	\$ 9,960,000	66%	34%	Pass
		Water & Sewer	\$ 107,850,000	84%	16%	Pass
		Streets & Highways	\$ 202,310,000	82%	18%	Pass
		Airport	\$ 65,000	46%	54%	Fail
		Total	\$ 451,500,000			
Gilbert	2006 Bond Election	Streets & Highways	\$ 75,000,000	72%	28%	Pass
		Special Events Venue	\$ 10,000,000	62%	38%	Pass
		Total	\$ 85,000,000			
Mesa	2008 Bond Election	Police & Fire	\$ 85,300,000	67%	33%	Pass
		Street Projects	\$ 110,900,000	65%	35%	Pass
		Total	\$ 196,200,000			
Surprise	2009 Bond Election	Infrastructure	\$ 184,900,000	28%	72%	Fail
		Total	\$ 184,900,000			
Peoria	2008 Bond Election	Transportation / Drainage	\$ 277,000,000	67%	33%	Pass
		Public Safety / Technology	\$ 60,000,000	65%	35%	Pass
		Parks / Rec / Trails	\$ 41,000,000	63%	37%	Pass
		Total	\$ 378,000,000			
Phoenix	2006 Bond Election	Police / Fire / Homeland Security	\$ 177,000,000	73%	27%	Pass
		Police / Fire / City Technology	\$ 16,100,000	70%	30%	Pass
		Education and Health Science Facilities	\$ 198,700,000	63%	37%	Pass
		Parks and Open Space	\$ 120,500,000	63%	37%	Pass
		Libraries & Cultural Centers	\$ 133,800,000	65%	35%	Pass
		Affordable Housing	\$ 85,000,000	66%	34%	Pass
		Street & Storm Sewer	\$ 147,400,000	70%	30%	Pass
		Total	\$ 878,500,000			

WHY IS SCOTTSDALE CONSIDERING A BOND ELECTION?



Indian Bend
APWA Project



Granite Reef Sr. Ctr. - Bond 2000



Police Operational Support and District 1 Headquarters
LEED Certified Building



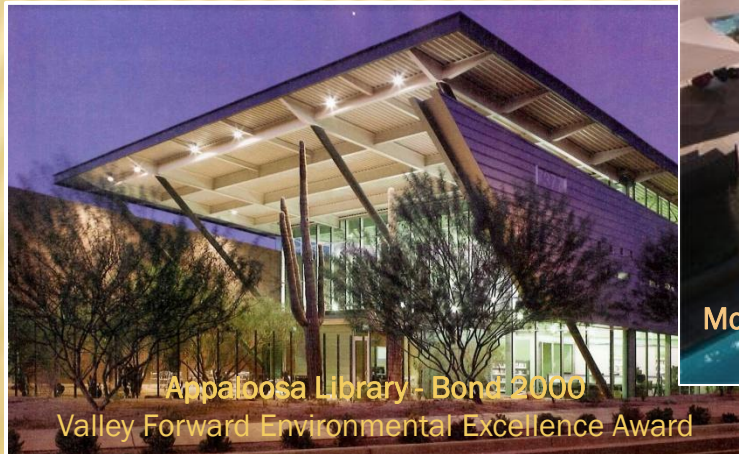
McDowell Mtn. Ranch Aquatic
and Fitness Center



CAP Basin Park
ACEC Grand Award
Valley Forward Crescordia Award



Fire Stations 8
Potential LEED Gold/Platinum Certified



Appaloosa Library - Bond 2000
Valley Forward Environmental Excellence Award



Arabian Library - Bond 2000
LEED Silver Certified Building

WHY IS SCOTTSDALE CONSIDERING A BOND ELECTION?

- Our Senior Centers had a combined attendance of 995,033 in FY 2010/11 and there is a waiting list for programs at both facilities.
- The City maintains 61 lighted city park and school ballfield locations which had over 44,000 hours of ballfield use reserved for community youth sports groups in FY 10/11.
- Eldorado, Cactus and McDowell Mountain Ranch Park Aquatic Centers served over 530,000 patrons in FY 10/11.
- 71 percent of Scottsdale citizens have library cards which resulted in 1.6 million visits to a library and 3.8 million items circulated.
- There were approximately 2.5 million visits to ScottsdaleAZ.gov and the City receives 20 million emails via the internet each year.
- Over 50 percent of the City's applications that run critical City business operations are dependent on the existing aging Electronic Storage Infrastructure.
 - Email, Internet/Intranet, Utility Billing, Tax and License, Court Case Management, and the Community Development System.
- City Court had 132,000 customers and 3,700 court cases in FY 2010/11.
- The Police Department responded to over 230,000 calls in FY 2010/11.

How did the Bond Task
Force determine what
should be included
in the Bond Package?

BOND TASK FORCE

How did the Bond Task Force determine what should be included in the Bond Package?

- ❑ Council Action in July 2011
- ❑ Education & Analysis
 - ❑ 15 meetings in 8 different locations around the City
- ❑ Public Input
 - ❑ 2 Press Releases
 - ❑ 12 articles in Scottsdale Update
 - ❑ Website was launched in mid-November
 - ❑ Update to City Council

BOND TASK FORCE: CRITERIA

Rank	Criteria
1	Mandated: Is the project mandated by any local, state or federal laws?
2	Emergency/Negative Impact of NOT Investing: Determine if the public or the city's financial position is negatively impacted by failure to invest in a particular project.
3	Operating Cost: Does this project reduce operating costs or minimize cost increases?
4	Asset Management: Does project create or increase the capacity, efficiency, span of life, or economy of operating a new or existing fixed asset?
5	Economic Sustainability: Project meets the goal of, at a minimum, holding economic depreciation of assets to a steady rate.
6	Matching Funds: Do projects have matching funds from other agencies?
7	Economic Vitality: Does the project contribute to the improved economic vitality of the city and bring in improved revenue?
8	Existing CIP: Is the project part of the city's current capital improvement program?
9	Master Plan: Is the project anticipated in the General Plan character Area Plans or master plan?
10	Bond 2000: Was the project contemplated in Bond 2000 and now need additional funding?
11	Board & Commission Review: Has this project been recommended by any Boards or Commissions?
12	Cross Departmental Coordination: Does this project affect multiple departments and has it been well coordinated?
13	3 Year Timeframe: Can the project be initiated and completed in a 3-year planning horizon?

BOND PROJECT RANKING SCALE

1= Highest Priority 10 = Lowest Priority

1	The project MUST BE part of the recommended bond package
2	
3	
4	The project SHOULD be part of the recommended bond package
5	
6	
7	The project COULD be part of the recommended bond package
8	
9	
10	The project SHOULD NOT be part of the recommended bond package

BOND TASK FORCE

- ❑ Evaluation: 47 projects, \$277.9 M
 - ❑ Projects Included in the Proposed 2012 Bond
 - ❑ 34 projects totaling \$167.5 Million
 - ❑ Projects Eliminated from the Proposed 2012 Bond
 - ❑ 13 projects totaling \$110.4 Million
- ❑ Prioritization
 - ❑ Prioritized Projects 1 – 34
- ❑ Grouping
 - ❑ 4 Questions

Dollars and Cents;
How will this
impact me?

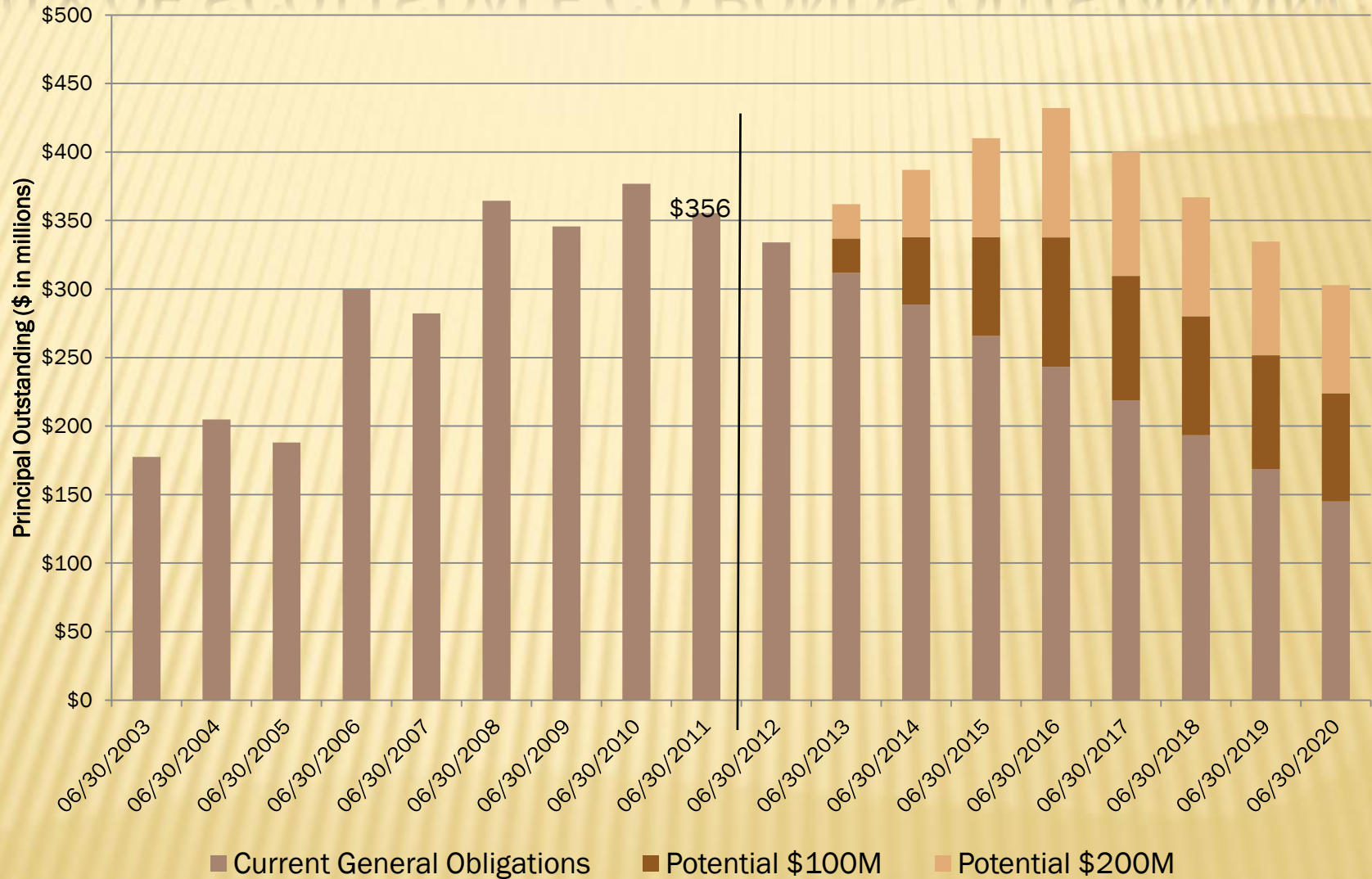
G.O. BOND DEBT SERVICE: RATINGS IMPACT

- ✗ The City maintains a strong AAA general obligation bond rating.

Moody's	Aaa
Standard & Poor's	AAA
Fitch Ratings	AAA

- ✗ A new bond authorization is not expected to deteriorate this rating as it is based on the following:
 - + Strong management practices
 - + Sound fiscal operations
 - + Strong general fund reserve levels
 - + Favorable debt structure and ratios
 - + Deep and diverse economic base

CITY OF SCOTTSDALE GO BONDS OUTSTANDING

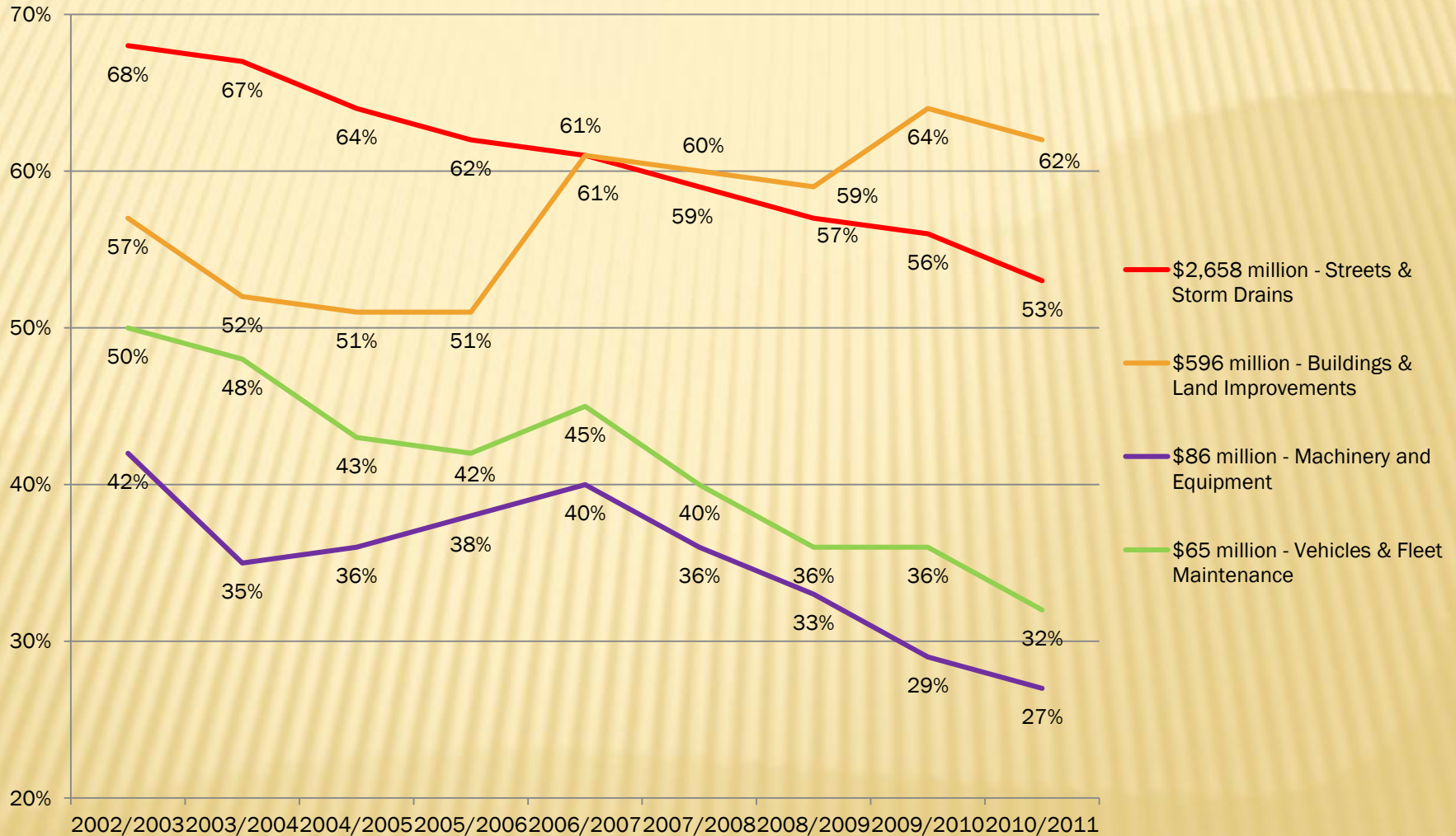


DOLLARS & CENTS: HOW WILL THIS IMPACT ME?

For the proposed \$167.5 Million Bond Package:

- ❑ Maximum expected rate of 20 cents per assessed \$100 value
 - ❑ \$20 per year for a \$100,000
 - ❑ \$50 per year for a \$250,000
 - ❑ \$100 per year for a \$500,000
 - ❑ \$150 per year for a \$750,000

CONDITION OF DEPRECIABLE CAPITAL ASSETS PERCENT UNDEPRECIATED



What is included in
the Bond Package?

QUESTION 1: COMMUNITY SERVICES AND TECHNOLOGY

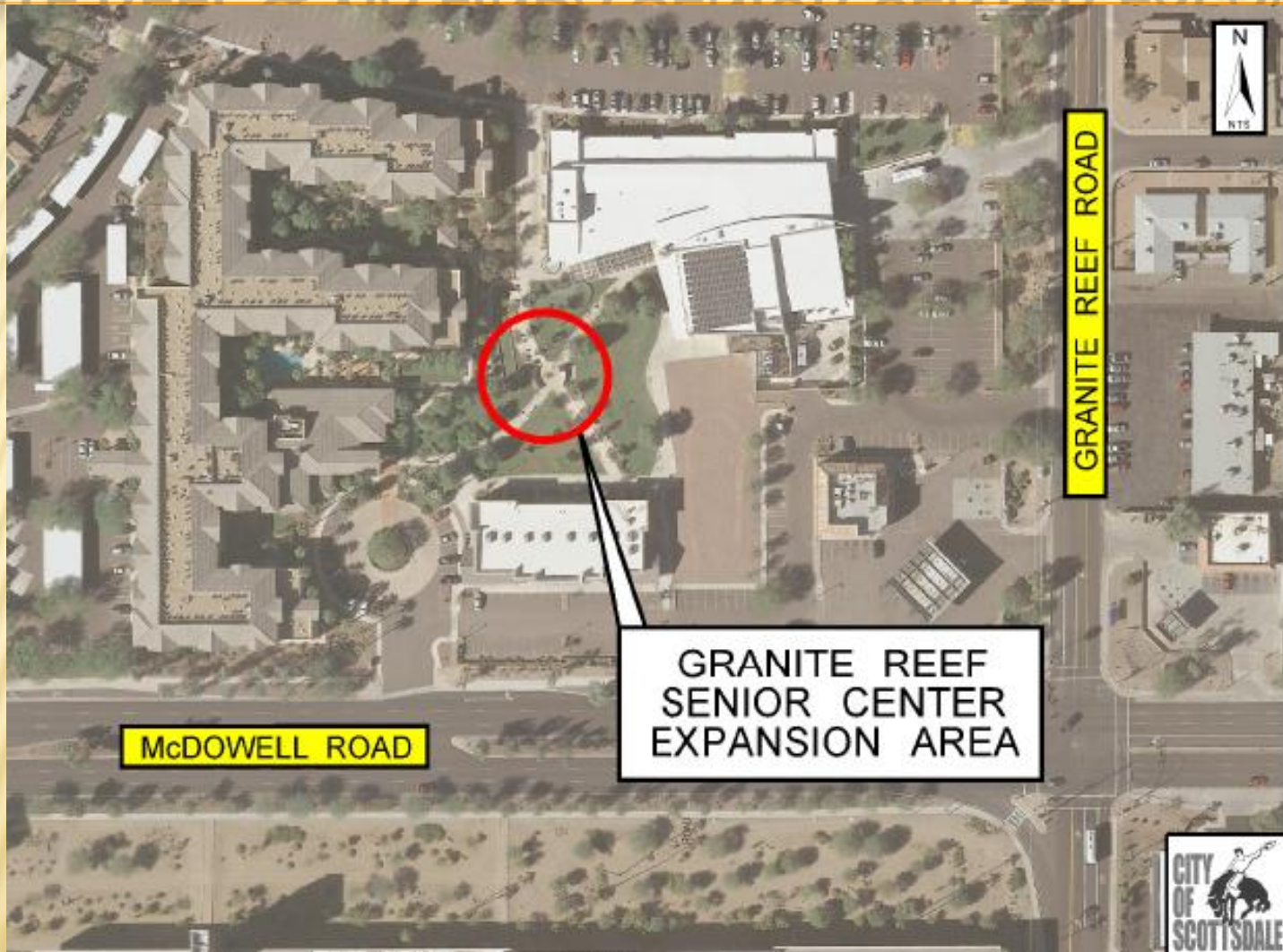
\$37.3 Million

- Electronic Storage Replacement: \$4.3M
- Library Technology: \$2.3M
- Integrated Financial, Human Resources and Purchasing System \$3.5M
- Aquatics Chemical System Replacement: \$1.7M
- Expansion of Via Linda & Granite Reef Senior Centers: \$7.1M
- Vista del Camino Park/Indian Bend Wash Renovation: \$8.3M
- Ballfield Lighting System Replacement – Phase I: \$2.1M
- Arizona Canal Improvements – 60th Street to Indian Bend Road: \$4M
- Citywide Trails Implementation: \$4M

GRANITE REEF & VIA LINDA SENIOR CENTER EXPANSION



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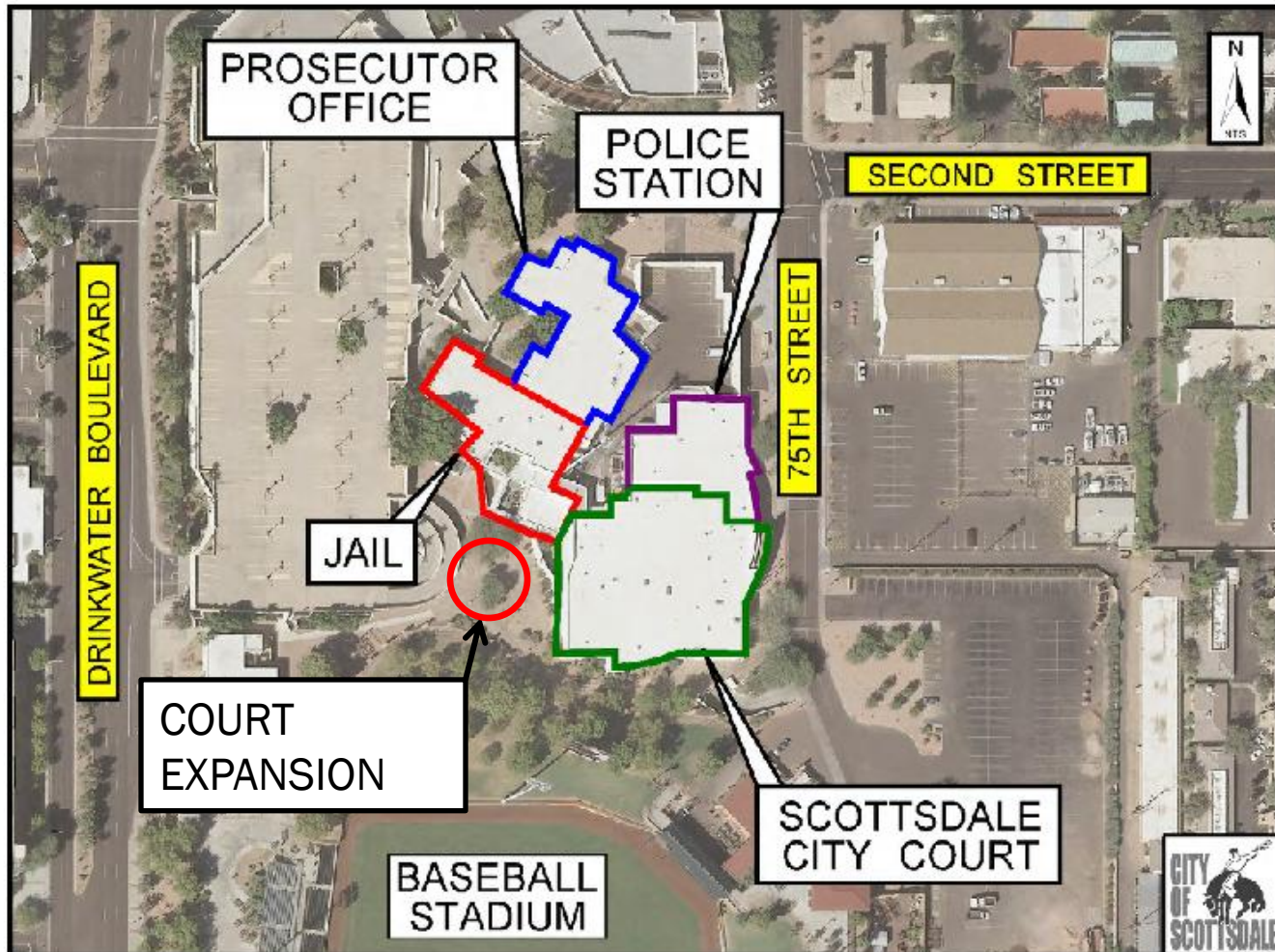
- ✘ Expansion of the existing senior centers to meet increased patron and services demand.
- ✘ This project will provide additional multi purpose room, adding approximately 5,000 – 6,000 square feet to the existing buildings.
- ✘ At each facility a multi purpose room and support facilities will be added. The Via Linda project is proposed to extend north and be attached to the existing main hallway. The Granite Reef space will be a stand alone building near the existing center. Increase the amount of programming available to one of the fastest growing segments of the City population.
- ✘ Provide additional programming space for other city sponsored programs.
- ✘ Potential for additional rental revenue from rentals/reservations.

QUESTION 2: PUBLIC SAFETY & COURTS

\$44.69 Million

- Radio System Upgrade: \$4.29M
- Police Civic Center Jail Consolidation: \$4.4M
- Bring Existing Fire Stations to Compliance Standards: \$2.5M
- Civic Center Police Station Expansion: \$3.9M
- Fire Station 603 Replacement: \$4.6M
- Court Remodel/Expansion - \$4.5M
- Desert Foothills Fire Station 613: \$3.5M
- Public Safety Via Linda Facility Expansion: \$12.5M
- Desert Mountain Fire Station 616: \$2.5M
- Purchase Land for Fire Station 612: \$2M

CIVIC CENTER STATION & COURT EXPANSION



CIVIC CENTER STATION & COURT EXPANSION

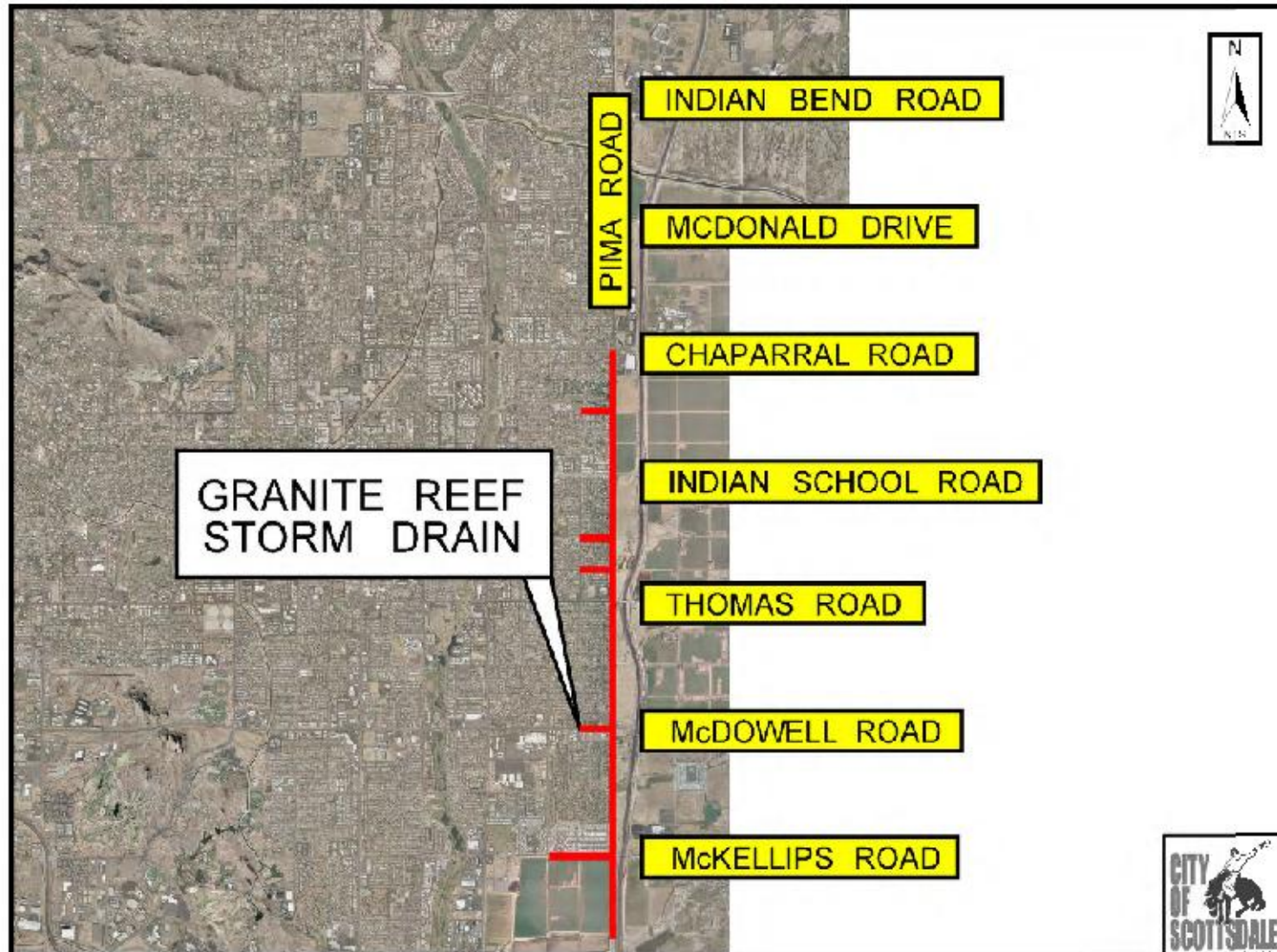
- ✘ Construct 9,000 square foot expansion for Downtown Patrol Services and specialty police units to regain space lost over the past several years to accommodate Courts needs
 - + Current facility is under 6,000 square feet, recommendations from space needs study is approximately 21,500 square feet
 - + Increase space to support patrol operations: briefing room, report writing, evidence processing area, and supervisor workspace
- ✘ Expand and remodel of the current Civic Center jail to consolidate all City jail operations.
 - + Improve safety for prisoners & detention staff
 - + Reduce liability exposure due to outdated equipment and facilities
- ✘ Expand and Remodel City Court Space
 - + Provide operational efficiencies
 - + Provide space, adjacencies, access
 - + Add additional court room which is needed due to increased demand
 - + Serves entire court customer base

QUESTION 3: NEIGHBORHOOD FLOOD CONTROL

\$34.60 Million

- Granite Reef Watershed: \$10.2M
- Neighborhood Stormwater: \$1.5
- Loop 101 Detention Basin: \$6.3M
- Loop 101 Outlet Storm Drain: \$5.0 M
- East Union Hills Interceptor Channel: \$3.3M
- Powerline Interceptor Channel: \$5.6M
- McCormick Stillman Channel & Lincoln Drive Storm Drain: \$2.7M

GRANITE REEF WATERSHED



GRANITE REEF WATERSHED

- ✖ Construct approximately 5 miles of large diameter storm drain
 - + Along Pima Rd from Chaparral Rd to Salt River
- ✖ Partnership with:
 - + Flood Control District of Maricopa County (\$23.7M)
 - + Salt River Pima-Maricopa Indian Community (\$14.2M – inc. \$8M R/W)
- ✖ Current City funding = \$7.7M
- ✖ \$3.5M bond funding sought

GRANITE REEF WATERSHED

- Remove 100-year flood hazard affecting about 1,200 developed properties within Scottsdale alone, as well as additional developed and undeveloped properties within SRP-MIC
- 100-year storm event would cause substantial damage to private property and City facilities
- Promote public safety and mobility
- Eliminate the requirement for costly flood insurance (estimated at \$600k annually within Scottsdale alone)
- Promotes development potential

QUESTION 4: TRANSPORTATION & STREETS

\$50.90M

- Traffic Signal Controller Cabinet Upgrade & Replacement: \$9.8M
- Airpark Roadway Circulation Phase II: \$11.3M
- Accessible Curb Ramps – ADA compliance: \$2M
- Hayden Road Intersections at Chaparral and Camelback Roads: \$5.5M
- Expired/Quiet Pavement Replacement \$15.4M
- Transportation Downtown Pedestrian Improvements: \$2M
- Street Operations Maintenance Building: \$1.1M
- Chaparral Road Streetscape Improvements: \$3.8M

EXPIRED/QUIET PAVEMENT REPLACEMENT

- ✘ Remove expired asphalt road surface course in south and central Scottsdale
- ✘ Include downtown, local and major streets
- ✘ Replace with quieter rubberized asphalt pavement
- ✘ Average pavement lifecycle- 15 years
- ✘ We have 20,819,964 square yards (2,957 Lane Miles) of pavement in Scottsdale the City maintains.

PROJECTS ELIMINATED FROM THE PROPOSED 2012 BOND PROGRAM

\$110.4 Million

- Kiva Video & Presentation System: \$254K
- Solar Pool Water Heating: \$1.8M
- Granite Mountain Trailhead: \$4.0M
- Purchase Land for Far North Police Facility: \$2.5M
- Downtown Northeast Quadrant Parking Garage: \$7.4M
- Planning Downtown Pedestrian Improvements & Wayfinding: \$4M
- Public Safety Training Facility Expansion: \$7.8M
- Airpark & Airport Wayfinding & Signage: \$3M
- SCPA Master Plan Implementation Phase III: \$10.5M
- DC Ranch Bridges: \$6.6M
- Papago Park Phase I: \$2.7M
- Civic Center Mall Improvements: \$11M
- Desert Discovery Center: \$48.8M

Questions?